



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

July 16, 2002

S. 2594

Support of American Eagle Silver Bullion Program Act

As cleared by the Congress on June 28, 2002

S. 2594 would permit the Department of Treasury to purchase silver on the open market when the Defense Logistics Agency (DLA) stockpile is depleted. CBO estimates that enacting S. 2594 will affect direct spending but would have no significant net impact on the budget in any year.

Based on information from the Mint, CBO estimates that the act's provisions would begin increasing direct spending shortly after enactment because DLA does not have silver available. Although the DLA's silver stockpile is exhausted, the Mint will still need silver to produce certain products that are permanently authorized. S. 2594 would allow the Mint to purchase silver on the open market when the DLA's stockpile is depleted. The Mint, however, is permitted to recoup the cost of silver through the sale of the coins. By law the Mint must sell coins at a price equal to the market value of the silver at the time of sale, plus the cost of minting, marketing, and distributing such coins, and the Mint is authorized to spend such collections without further appropriation.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.